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Attorneys for Defendant
LA JOLLA COVE INVESTORS, INC.,

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

WORLD SURVEILLANCE GROUP
INC., a Delaware Corporation,

Plaintiff,

v.

LA JOLLA COVE INVESTORS, INC., a
California corporation, and DOES 1-30

Defendants.

CASE NO. 3:13-cv-03455 (WHO)

**STIPULATION WITHDRAWING EX
PARTE MOTION AND AGREEMENT RE:
NON-ENFORCEMENT OF AGREEMENTS;
ORDER**

Plaintiffs World Surveillance Group, Inc. (“WSGI”) and Defendant La Jolla Cove Investors, Inc. (“La Jolla”) (altogether “the Parties”), by and through their counsel of record, hereby file the following stipulation withdrawing WSGI’s pending Ex Parte Motion for Temporary Restraining Order and Order to Show Cause Regarding Preliminary Injunction. The Parties further stipulate that both WSGI and La Jolla are hereby barred from enforcing, or attempting to enforce, any terms of the Securities Purchase Agreement, the Equity Investment Agreement, or the 4¾% Secured Convertible Debenture signed by the Parties on or around January 25, 2012, as well as any related agreements or further amendments thereto (collectively referred to herein as “the Agreements”) including, but not limited to, issuing further notices under the Agreements, pending the final resolution of this matter, *i.e. World Surveillance Group, Inc. v. La Jolla Cove Investors, Inc.*, Case No. 3:13-cv-03455-WHO (N.D. Cal.). As such, the Parties further state the following on the record:

-1-

WHEREAS the Parties signed the Agreements on or around January 25, 2012;

WHEREAS the Agreements set forth many obligations and requirements for both of the Parties;

WHEREAS WSGI filed a lawsuit against La Jolla in the federal court of the Northern District of California entitled *World Surveillance Group, Inc. v. La Jolla Cove Investors, Inc.*, Case No. 3:13-cv-03455-WHO (N.D. Cal.) relating to the Agreements between the Parties.

WHEREAS WSGI filed an Ex Parte Motion for Temporary Restraining Order and Order to Show Cause Regarding Preliminary Injunction in this action on July 25, 2013 requesting that the Court issue an order that the Parties be enjoined from enforcing the terms of the Agreements.

WHEREAS the Parties have agreed that the Parties will refrain from enforcing, or attempting to enforce, any part or terms of the Agreements, including, but not limited to, issuing further notices under the Agreements, pending the final resolution of this matter, *i.e. World Surveillance Group, Inc. v. La Jolla Cove Investors, Inc.*, Case No. 3:13-cv-03455-WHO (N.D. Cal.).

WHEREAS WSGI, in light of the foregoing, agrees to withdraw its Ex Parte Motion for Temporary Restraining Order and Order to Show Cause Regarding Preliminary Injunction in full.

NOW, THEREFORE, the Parties stipulate to the following:

1. The Parties will *not* enforce, or attempt to enforce, any part or terms of the Agreement, including, but not limited to, issuing further notices under the Agreements, pending the final resolution of this matter, *i.e. World Surveillance Group, Inc. v. La Jolla Cove Investors, Inc.*, Case No. 3:13-cv-03455-WHO (N.D. Cal.);
2. That WSGI hereby withdraws its Ex Parte Motion for Temporary Restraining Order and Order to Show Cause Regarding Preliminary Injunction in full;
3. That the hearing on WSGI's Ex Parte Motion for Temporary Restraining Order and Order to Show Cause Regarding Preliminary Injunction shall be taken off calendar.

1 IT IS SO STIPULATED.

2 The parties hereby request that the Court affirm this stipulation by signing it pursuant to
3 Local Rule 7-12

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5 Dated: December 17, 2013

WEISBERG & MILLER

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7 By: /s/ Craig S. Miller

8 Craig S. Miller
Attorneys for Plaintiff
WORLD SURVEILLANCE GROUP, INC.

9 Dated: December 17, 2013

DLA PIPER LLP (US)

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11 By: /s/ Roy K. McDonald

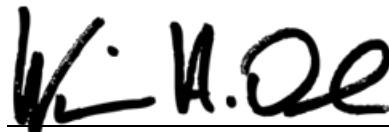
12 ROY K. MCDONALD
Attorneys for Defendant
LA JOLLA COVE INVESTORS, INC

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14 I, Roy K. McDonald, am the ECF user whose ID and password are being used to file this
15 STIPULATION REGARDING UPCOMING EX PARTE MOTION HEARING AND TIME TO
16 RESPOND TO COMPLAINT; ORDER. In compliance with Local Rule 5-1(i)(3), I hereby by
17 attest that Craig S. Miller has given his concurrence as to the filing of this pleading.
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20 **PURSUANT TO STIPULATION, IT IS SO ORDERED as modified below:**

21 The Court will hold a Case Management Conference at 2 p.m. on **January 21, 2014** in
22 Courtroom 2. The parties shall file a Joint Case Management Statement in accordance with the
23 Local Rules on or before January 14, 2014.

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25 Dated: December 18, 2013

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The Hon. District Judge William H. Orrick